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SUBJECT: Santiago Feb. 2 Media Report

Lead Story

11. President Obama's 2011 budget proposal was front-page news on all major dailies today (2/2).

Chile-U.S.

12. Front-page headline: "U.S. President Obama phones Chilean President-elect Sebasti????n Pi????era and commits to continue working closely with Chile"

Inside headline: "Barack Obama phones Pi????era to congratulate him. The president-elect confirms his participation in the summit in the U.S."

Yesterday afternoon Sebasti????n Pi????era received a phone call from no other than the U.S. President who phoned to congratulate him "for his historical victory," said a White House release. In the conversation President Obama "underscored the close ties" that exist between the two countries "based on mutual interests and values" and expressed his commitment to "continue working closely with Chile," said the release. Pi????era confirmed he would attend the April energy and safety summit in Washington, where nuclear energy will be among the topics. In Pi????era's circle the view is that the conversation had been "cordial, interesting, and very prolific" (Conservative, influential newspaper-of-record El Mercurio, 2/2).

13. Headline: "Obama congratulates President-elect Pi????era and invites him to Chile"

In a phone call yesterday, President Barack Obama congratulated Pi????era and underscored the "strong alliance" between the two countries. Pi????era expressed his commitment with human rights in Chile, said he would maintain Chile's peace force in Haiti, and invited Obama to visit the country in a tour of Latin American. Reportedly, Obama said he would try to visit (La Tercera, 2/2).

¶4. American Chilean Chamber of Commerce (Amcham) President Ricardo Garcia said that one of the obstacles that the Pi????era administration will have to resolve regarding its ties with the United States is the enforcement of IPR laws. "The United States bases its development on the protection of (intellectual) property and the fact that Chile does not duly protect these rights ... is a situation that must be improved" (El Mercurio, 2/2).

Coverage of President Obama's budget proposal

¶5. President Obama revealed yesterday his US\$3.8 trillion dollar 2011 fiscal budget plan with emphasis on creating jobs and cutting space and global warming programs (La Tercera, 2/2).

¶6. Headline: "Barack Obama confronts fiscal deficit with a 2011 budget that emphasizes jobs, security, and closing the Guantanamo prison"

Given the drop in his popularity and having lost the majority in the Senate, President Obama's budget proposal for next year focuses on primary issues to regain confidence (Government-owned La Nacion, 2/2).

¶7. Headlines: "A budget with its feet on the ground - U.S. president renounces to manned trips to the moon and Mars" (La Nacion, 2/2); "Obama proposes US 3.8 trillion budget for 2011 with emphasis on employment (Financial dailies Diario Financiero and Estrategia, 2/2/); "Obama announces tax increase for individuals and corporations to finance his budget"

(El Mercurio, 2/2).

Local Politics

¶8. Brazil's Foreign Minister Celso Amorim will meet with Sebastião Pi????era in Santiago on February 12. After the election, Brazilian President Lula da Silva congratulated Pi????era and invited him to work for South America's integration (Diario Financiero, 2/2).

Poll

¶9. Adimark GFK poll revealed an 83% rate of approval for President Bachelet and 65% for the government. The president was also highly rated on personal attributes: 95% said she is "loved," 91% that she is "respected," 90% that she has the "ability to face a crisis," and 88% that she is "credible." Adimark noted that while Bachelet is widely approved, her political coalition - Concertación -- lost the election (Conservative, afternoon La Segunda, 2/1).

¶10. Adimark Director Roberto Mendez: "This survey is a paradox.... The president has a record support, which does not transfer to the candidate of her coalition (...) Bachelet was harshly criticized by her own coalition in her first years in office and later faced difficult situations stemming from divisions among coalition parties. Many view Bachelet as a victim of her coalition" (Popular tabloid Las Ultimas Noticias, 2/2).

Haiti

¶11. Column by Andres Oppenheimer on Haiti: "Deforestation in Haiti has made its soil lose the ability to retain water, which has drastically reduced water supplies and hurt intensive agriculture.... At the individual level, each and every one of us

should donate a tree to Haiti. At the international level... donors should refuse the temptation to focus on just constructing building. That is a cosmetic solution and Haiti needs trees and gas stoves, but perhaps ones that run on solar (energy) rather than bricks" (El Mercurio, 2/2).

OAS

¶12. Editorial supporting Jose Miguel Insulza's reelection to the OAS: "Insulza's performance has been approved by the majority of Latin American and the Caribbean.... The questions about the outdated mechanisms of the OAS did not changed much during Insulza's term.... For these to change, member nations must restructure the organization and overcome the acute differences that prevail in the continent. According to the OAS Charter, the secretary general... can only carry out political initiatives that have unanimous support, which is rarely reached on transcendental issues. That is the difficult scenario in which Insulza has had to work and ... in a region where differences among countries and among its presidents prevail. It is probable and convenient that once Insulza explains his program to the new (government) officials they will choose to endorse his reelection (El Mercurio, 2/2).
URBAN